weekly economic review

March 7, 2014

Labour Market

Job growth surges

Alberta created 18,800 net new positions in February, the highest monthly increase since June 2011. The province has created 82,300 jobs over the last twelve months, accounting for over 85% of the jobs created in Canada. The unemployment rate dipped to 4.3%, which is half a percentage point lower than in December.

Nationally, job creation stalled, with Canada losing 7,000 in February. This was the second month of job losses in the last three months. The unemployment rate remained at 7.0%

Building Permits

Strong start to the year

Building permit values in Alberta spiked in January, jumping 49.2% year-over-year (y/y) and 25.5% over December. Residential permits jumped 54.2% y/y, with growth in both of Alberta's largest cities and in almost all economic regions. Apartment permit values led the residential increase, up 87.9% y/y. In the non-residential sector, large gains in industrial and institutional permits more than offset losses in commercial permits.

Nationally, permits climbed 21.9% y/y with broad based gains across all sectors.

Residential Construction Investment

Investment hits new high

The value of residential construction investment in Alberta reached a record $4.4 billion in the fourth quarter, 15.8% higher than the same quarter in 2012. Residential investment was up a healthy 10.8% in 2013. Breaking a rather flat trend throughout 2013, renovations investment leapt by 22.2% y/y in the fourth quarter. New dwelling investment remains strong, up 10.7% y/y in the final quarter, and up 14.1% for 2013.

Nationally, total investment dropped 1.4% y/y in the fourth quarter, reflecting weaker numbers from new dwellings.

Merchandise Trade

Exports jump

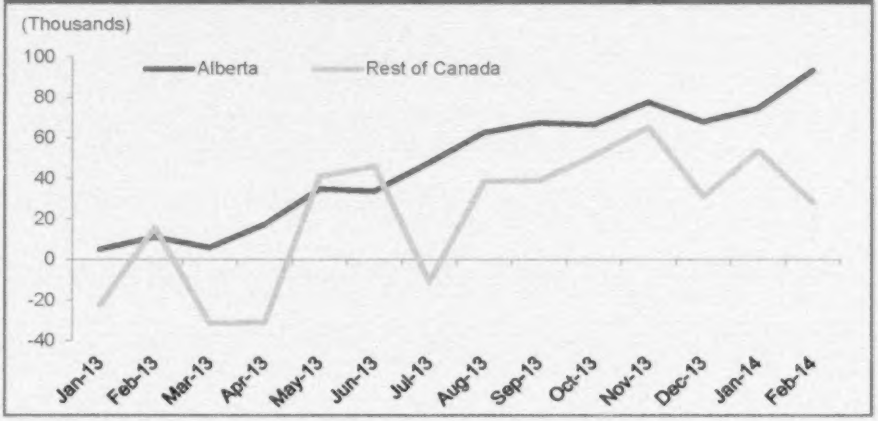
The total value of Alberta's exports surged 12.5% y/y in January, led by strong numbers from energy products. Energy product exports jumped 15.3%, aided by higher oil prices relative to the same month last year. Farm and related food product exports dipped 6.3% y/y in January, likely reflecting weaker export prices and challenges getting last year's bumper crop to market.

US Employment

Employment and unemployment increase

The US added 175,000 jobs in February, up from 129,000 in January. This is roughly in line with market expectations. Over the last 12 months the US has added 189,000 jobs per month on average. Despite the added jobs the unemployment rate ticked up by 0.1 percentage points as the labour force increased by more than employment. Severe winter weather has likely had a negative impact on job growth since December.

Cumulative Employment Growth since January 2013



Source: Statistics Canada

Closing Price	Feb 27, 2014	Mar 6, 2014	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	89.77	91.19	95.31
WTI Oil ($US/bbl)	102.40	101.56	98.99
NYMEX Natural Gas($US/MMBtu)	4.51	4.66	4.00

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Alberta Economic Indicators

Population[1]	2012	2013	2014YTD	Sept	Oct	Nov	Dec	Jan	Feb
Population (000's)	3,889	4,025	4,061	..	4,061	..	..	..	..
y/y % change	2.6	3.5	3.5	..	3.5	..	..	..	..
Net Interprovincial Migration	27,652	52,677	10,769	..	10,269	..	..	..	..
Net International Migration	40,842	52,551	16,436	..	16,436	..	..	..	..
Net Non-permanent Residents	10,086	19,560	8,213	..	8,213	..	..	..	..
Labour Market									
NEW! Employment (000's), SA	2,149	2,211	2,253	2,236	2,235	2,246	2,237	2,243	2,262
y/y % change	2.7	2.9	3.5	3.8	3.5	3.5	3.1	3.2	3.8
NEW! Unemployment Rate (%), SA	4.6	4.6	4.5	4.4	4.5	4.7	4.8	4.6	4.3
NEW! Participation Rate (%), SA	73.4	73.0	73.0	73.1	73.0	73.3	72.9	72.8	73.1
Average Weekly Earnings ($), SA	1,072.75	1111.68p	..	1114.41	1126.96	1134.55	1145.63	..	..
y/y % change	3.6	3.6p	..	2.6	3.3	4.0	4.6	..	..
Price Indices									
Consumer Price Index (y/y % change)	1.1	1.4	2.7	1.3	1.0	1.7	2.1	2.7	..
Excluding food and energy	1.3	1.4	2.1	1.5	1.6	1.5	1.9	2.1	..
Non-Res Building Cons. Price Index[2] (y/y % change)	3.8	1.2	..	1.2	..	..	1.3	..	..
Farm Product Price Index (y/y % change)	6.3	4.4	..	2.5	..	..	..	..	..
Crops	6.7	4.7	..	-6.0	..	..	..	..	..
Livestock	5.9	3.9	..	10.0	..	..	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	33.3	36.0	39.2	31.2	38.1	43.7	36.2	39.2	..
y/y % change	30.7	8.2	27.7	-8.2	14.2	10.0	19.0	27.7	..
New Housing Price Index[3] (y/y % change)	1.6	2.8	..	3.1	3.0	3.1	2.9	..	..
Edmonton	0.9	0.5	..	0.2	0.3	0.0	-0.2	..	..
Calgary	1.7	5.3	..	6.3	6.1	6.5	6.1	..	..
MLS Average Resale Prices ($ 000's)	362.0	380.2	397.3	383.4	381.5	388.6	389.7	397.3	..
y/y % change	2.6	5.0	4.5	7.5	3.9	5.3	4.7	7.3	..
Edmonton ($ 000's)	332.7	343.8	355.0	347.5	339.2	347.2	356.9	355.0	..
y/y % change	2.6	3.3	4.5	8.2	1.4	2.5	5.3	6.2	..
Calgary ($ 000's)	410.8	436.6	456.8	439.0	439.8	449.3	449.5	456.8	..
y/y % change	2.2	6.3	4.4	8.5	4.2	7.7	4.5	5.8	..
Retail Sales, SA (y/y % change)	6.9	6.6	..	6.5	6.6	6.0	7.3	..	..
New Motor Vehicle Sales (y/y % change)	10.5	6.2	..	2.1	6.5	5.3	7.9	..	..
Consumer Bankruptcies	5759	4689	..	375	383	323	284	..	..
y/y % change	-18.1	-18.6	..	-10.9	-21.7	-23.1	-17.9	..	..
Business Sector									
Rigs Drilling	250	235	398	251	239	233	259	392	403
y/y % change	12.6	5.9	0.8	9.6	1.0	-9.8	-9.9	6.7	4.4
NEW! Goods Exports, customs based (y/y % change)	2.8	7.7	12.5	15.6	18.0	13.9	14.5	12.5	..
Energy	3.6	10.5	15.3	24.2	24.7	18.1	21.6	15.3	..
Farm, Fishing and Intermediate Food	20.6	-8.3	-6.3	-27.5	-14.4	-3.6	-18.1	-6.3	..
Farm Cash Receipts (quarterly, y/y % change)	14.1	2.1	..	3.4	..	..	..	..	..
Manufacturing Shipments, SA (y/y % change)	3.4	1.8	..	1.0	5.6	6.3	4.8	..	..
Wholesale Trade, SA (y/y % change)	10.9	2.1	..	1.2	5.0	1.1	0.2	..	..
NEW! Building Permits, SA (y/y % change)	14.8	17.7	49.2	32.5	24.7	-6.9	10.7	49.2	..
Residential	18.2	19.0	54.2	41.2	39.1	15.6	23.3	54.2	..
Non-residential	10.7	16.1	41.2	18.5	5.5	-29.7	-4.4	41.2	..
Business Bankruptcies	230	137	..	13	15	8	14	..	..
y/y % change	-12.9	40.4	..	-38.1	-16.7	-46.7	-12.5	..	..

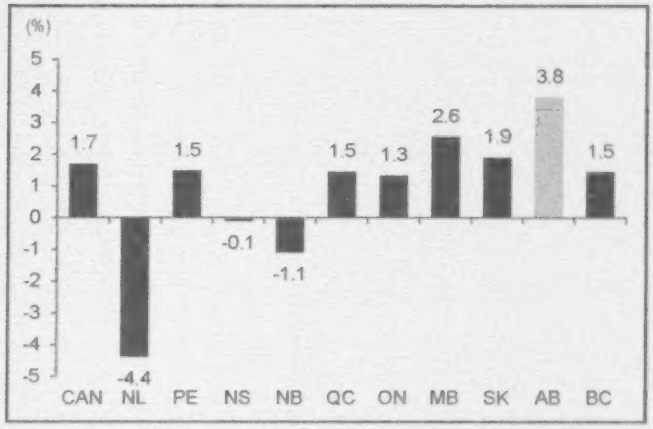
1 Quarterly; annual numbers are presented on a census year basis (July 1 – June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

p denotes a preliminary annual number
Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).

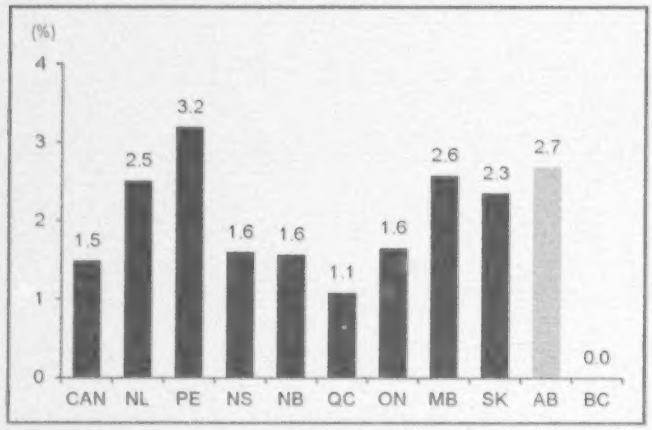
All historical data are subject to revision.

Economic Indicators by Province

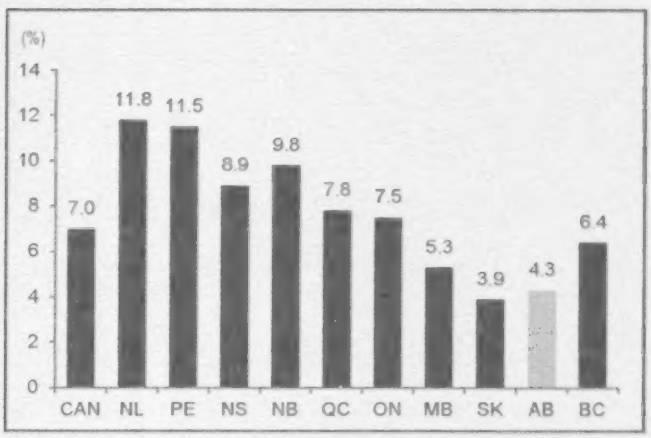
Real GDP at Market Prices
(2012, year-over-year growth)



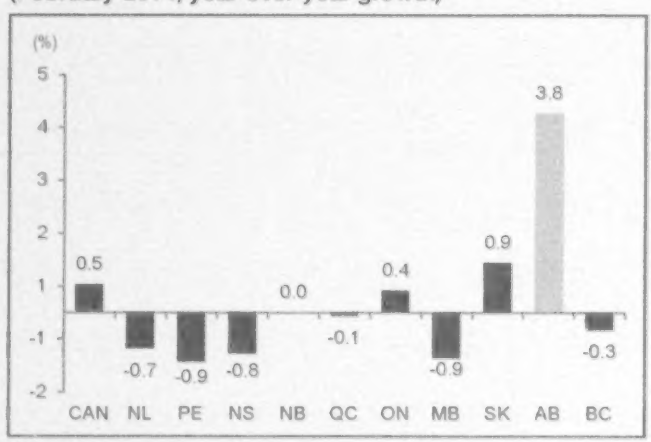
CPI Inflation
(January 2014, year-over-year growth)



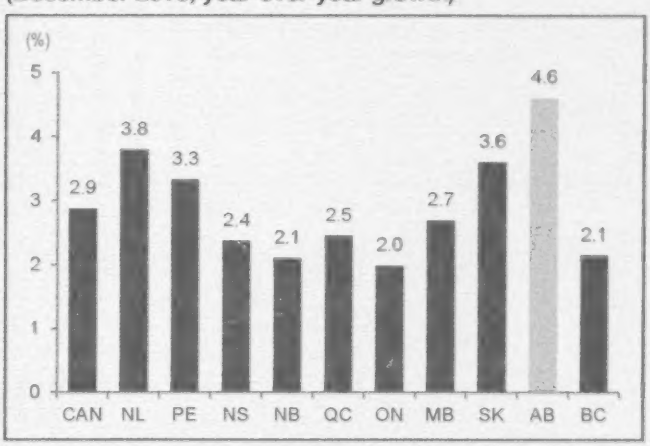
Unemployment Rate
(February 2014)



Employment
(February 2014, year-over-year growth)



Average Weekly Earnings
(December 2013, year-over-year growth)



Housing Starts
(January 2014, SAAR, year-over-year growth)